

Message Text

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SUBJECT: LABOR CALLS FOR DISCUSSIONS WITH GOVERNMENT AND MANAGEMENT

1. FOLLOWING TWO DAYS OF DELIBERATIONS, BOTH SEPARATE AND JOINT, THE FEDERATION CGIL-CISL-UIL (CCU) HAS CALLED FOR CONSULTATIONS WITH THE GOVERNMENT AND WITH EMPLOYERS TO DISCUSS LABOR PROBLEMS. THE CCU HAS ALSO CALLED FOR A MEETING OF ITS EXECUTIVE COMMITTEE (30 MEMBERS FROM EACH CONFEDERATION) ON SEPTEMBER 23-24 TO OUTLINE FURTHER UNION POLICY. IN THE MEAN-TIME, THE CCU HAS SET UP A WORKING GROUP CHARGED WITH DRAFT-ING POLICY RECOMMENDATIONS FOR CONSIDERATION OF THE EXECUTIVE COMMITTEE.

2. THE DELIBERATIONS WERE THE FIRST SINCE THE AUGUST HOLIDAY SEASON AND CONSTITUTE THE INITIAL ATTEMPT BY LABOR TO ASSESS NEAR-TERM PROSPECTS FOR UNEMPLOYMENT AND INFLATION. KEY ISSUES TO BE TAKEN UP WITH CABINET MEMBERS AND WITH CONFINDUSTRIA ARE PLANS TO LIMIT UNEMPLOYMENT, THE RECOVERY OF WORKER PURCHASING POWER LOST THROUGH INFLATION, EXPEDITING

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THE INDUSTRIALIZATION OF THE UNDERDEVELOPED SOUTH, AND REFORM

OF THE WAGE ESCALATION SYSTEM TO PROVIDE FOR IDENTICAL WAGE INCREASES FOR ALL.

3. THIS LAST TOPIC IS THE SUBJECT OF HEATED DISAGREEMENT WITHIN LABOR CIRCLES. CURRENTLY EACH POINT OF INCREASE IN THE COST OF LIVING INDEX TRIGGERS WAGE INCREASES OF 300 TO 900 LIRE PER WORKER (650 LIRE EQUALS \$1). THE CCU WANTS EACH WORKER TO GET 1,000 LIRE FOR EACH POINT OF INCREASE. FURTHERMORE, THEY WANT THIS APPLIED RETROACTIVELY TO 1969 WHICH, IT IS ESTIMATED, WOULD COST SOME 10 MILLION DOLLARS FOR EACH YEAR, NOT COUNTING THE COST OF ADMINISTERING RETROACTIVE APPLICATION. CISL OPPOSITION LEADER VITO SCALIA IS PARTICULARLY OUTSPOKEN IN DENOUNCING THIS PROPOSAL. HE CALLS IT AN "ONEROUS BURDEN" WHICH WOULD SIMPLY BE PASSED ALONG TO THE CONSUMER, I.E., THE WORKER, AND ADD TO THE INFLATIONARY SPIRAL.

4. COMMENT: CCU PROPOSALS FOR THE REFORM OF THE WAGE ESCALATION SYSTEM REPRESENT THEIR MAXIMUM POSITION AND ARE PRESUMABLY SUBJECT TO CONSIDERABLE COMPROMISE. APART FROM THIS ISSUE, THE GENERAL TONE OF THE CCU STATEMENT, AND OF COMMENTS MADE TO US BY LABOR SOURCES, SHOW A SENSE OF SOBRIETY NOT ALWAYS PRESENT ON PREVIOUS OCCASIONS. THIS IS INDICATED ALSO BY THE CALL FOR A MEETING WITH CONFINDUSTRIA: THE UNIONS HAVE BEEN REJECTING REQUESTS FOR SUCH MEETINGS WHICH HAVE BEEN EXTENDED BY CONFINDUSTRIA IN THE RECENT PAST. CLEARLY, THE UNIONS ARE BOTH IMPRESSED WITH THE SERIOUSNESS OF ECONOMIC PROSPECTS AND ARE AT A LOSS TO OFFER CONFIDENT SOLUTIONS. THE UNIONS EVEN APPEAR WILLING TO RELAX THEIR RIGIDITY ON THE ISSUE OF INDUSTRIAL RESTRUCTURING (REASSIGNMENT OF WORKERS TO MEET NEW PRODUCTION TECHNIQUES, ETC.) FOR WHICH THEY HAVE BEEN CRITICIZED IN RECENT DAYS BY BOTH REPUBLICAN PARTY LEADER LAMALFA AND CONFINDUSTRIA CHIEF AGNELLI. UIL SECRETARY GENERAL VANNI HAS SAID THE UNIONS ARE WILLING TO DISCUSS THIS MATTE, THOUGH "NO BLANK CHECK" WILL BE OFFERED TO MANAGEMENT.

5. IT IS QUITE POSSIBLE THAT THE DECISION OF THE BRITISH TUC TO APPROVE THE "SOCIAL CONTRACT" (LONDON'S 11319) WILL HAVE A POSITIVE EFFECT HERE IN INDUCING LABOR COOPERATION TO HELP SOLVE THE COUNTRY'S PROBLEMS. JUST A COUPLE OF DAYS AGO LAMALFA LUMPED ITALIAN UNIONS WITH THOSE OF GREAT BRITAIN, LIMITED OFFICIAL USE

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COMPARING THEM INVIDIOUSLY WITH THE GERMAN DGB WHICH, HE SAID, HAD A MUCH MORE COOPERATIVE ATTITUDE AND HENCE THE GERMAN ECONOMY WAS DOING MUCH BETTER THAN THE ITALIAN OR THE BRITISH. VOLPE

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